

# L I C E N S E E

News & Updates from the Virginia Department of Alcoholic Beverage Control, Fall 2013, Issue 19.3

## Nutritional Labels Approved for Alcoholic Products

CHANCES ARE you've checked the package to see how many calories are in the bag of chips you just polished off or looked to see what the sodium content is in that can of chicken noodle soup you're about to open, but how about the martini staring back at you from the bar? Ever wonder about its nutritional value? Calories?

The U.S. Alcohol Tobacco Tax and Trade Bureau (TTB) believes that many of your customers are wondering about it. On May 28 the bureau issued a ruling (Ruling 2013-2) that allows alcohol beverage industry members to "provide consumers with nutritional information about their products and provides guidelines to ensure that the information is presented in a consistent and non-misleading manner."

In addition to its duties to collect federal excise taxes on alcohol, tobacco, firearms, and ammunition and assure compliance with federal tobacco and alcohol permitting, the TTB also oversees alcohol labeling and marketing requirements to protect consumers.

The bureau's new ruling allows "Serving Facts" statements that include the serving size, the number of servings per container, the number of calories, and the number of grams of carbohydrates, protein, and fat per serving. Additionally, Serving Facts statements may include information

about the alcohol content of the product as a percentage of alcohol by volume and may also include a statement of the fluid ounces of pure ethyl alcohol per serving.

"More and more people are looking for lower calorie drinks, so much so that we are looking at creating a lower-calorie cocktail list," said Rapoza. "Lower calorie and healthier choices are the trend, and we have responded with cocktails that include fresh fruit and other healthy-choice ingredients."

**The labels are still only voluntary, leaving it up to the individual liquor company to make the decision about adding them or not.**

"It is important to note that, prior to the TTB's May ruling, alcohol manufacturers were not permitted to put Serving Facts Labels on packaging," said Guy L. Smith IV, executive vice president at Diageo North America, part of a multinational alcoholic beverages company and the world's largest producer of spirits, as well as a significant producer of beer and wine. "Allowing easy access to Serving Facts provides consumers with accurate macronutritional details, calories and alcohol content of their favorite drinks, and all of this information assists consumers in making the most informed decisions about their drink choices."

Smith said that Diageo applauds the TTB's ruling, which allows the beverage

(continued on page 4)

### Nutrition Facts

Serving Size 1 cup (228g)  
Servings Per Container about 2

#### Amount Per Serving

**Calories** 250      Calories from Fat 110

#### % Daily Value\*

<b>Total Fat</b> 12g	<b>18%</b>
Saturated Fat 3g	<b>15%</b>
Trans Fat 3g	
<b>Cholesterol</b> 30mg	<b>10%</b>
<b>Sodium</b> 470mg	<b>20%</b>
<b>Total Carbohydrate</b> 31g	<b>10%</b>
Dietary Fiber 0g	<b>0%</b>
Sugars 5g	
<b>Proteins</b> 5g	
Vitamin A	4%
Vitamin C	2%
Calcium	20%
Iron	4%

\* Percent Daily Values are based on a 2,000 calorie diet. Your Daily Values may be higher or lower depending on your calorie needs:

	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Saturated Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

While no distiller has put them on a bottle yet, you will likely soon see labels like this one appearing on distilled spirits. The U.S. Alcohol Tobacco Tax and Trade Bureau (TTB) issued a ruling earlier this year allowing nutritional labeling on distilled spirits. The nutritional facts themselves will not look like this one (for macaroni and cheese), used here simply to illustrate the general label appearance.

### 2014 "Do Not Sell" Stickers

The enclosed stickers can assist you and your employees in preventing underage sales. For more information, please see the introductory letter on page 3.



# LICENSEE

Fall 2013 ■ Issue 19.3

Licensee is a quarterly publication for licensees of the Virginia Department of Alcoholic Beverage Control (ABC).

Virginia ABC is one of 12 state law enforcement agencies under the office of public safety.



Gov. Bob McDonnell



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VIRGINIA DEPARTMENT OF  
ALCOHOLIC BEVERAGE CONTROL

## ENFORCEMENT MESSAGE



EMULATING BEST PRACTICES is good business. It keeps an agency sharp and can set the bar for performance standards. One way we ensure our Bureau of Law Enforcement employs best practices is by maintaining memberships in professional organizations such as the National Liquor Law Enforcement Association (NLLEA).

The NLLEA is a nonprofit association of law enforcement personnel dedicated to the enforcement of liquor laws and regulations.

ABC was recognized by the NLLEA in 2002 as the Liquor Law Enforcement Agency of the Year and in 2002 and 2010 when it received the Most Innovative Program Award (Military Outreach Initiative, including Military Safe Rides Home program). We have had two past NLLEA presidents, and just recently ABC Special Agent Mark Scott was named the 2013 Liquor Law Enforcement Agent of Year.

Special Agent Scott was recognized for his undercover roles in four separate investigations that were conducted in concert with various state, local and federal law enforcement agencies. Not only was his role integral to each investigation, but it also allowed for significant development of relationships between our agency and others.

One of those investigations involved nine agencies and resulted in arrests for manufacturing and selling moonshine, as well as the rescue of more than 100 mistreated animals in the case that also revealed cockfighting violations. This was only one of more than 20 illegal manufacturing of moonshine investigations Scott conducted last year. During his 16-year career, he has conducted more than 400 illegal whiskey investigations and assisted with many others.

Scott previously served as a member of the Virginia State Police Governor's Initiative Against Narcotics Trafficking (GIANT) task force for 10 years. He has worked jointly with the FBI, the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Drug Enforcement Agency and the U.S. Marshals on federal investigations including Operation Lightning Strike, a two-year federal and state untaxed liquor investigation.

Prior to working for ABC, Scott served in the Bedford County Sheriff's Office as a deputy sheriff and corporal fill-in shift supervisor. While in the sheriff's office, he also was a member of the Tactical Response Team and Regional Homicide Investigation task force. Scott served in the U.S. Marine Corps for four years and graduated from Liberty University with a degree in criminal justice.

As one of our 130 special agents, Scott is a sworn and certified police officer vested with statewide authority of arrest for ABC violations, as well as any other Virginia criminal law violation. ABC special agents conduct investigations involving underage sales, fake IDs and other alcohol-related crimes including narcotics and weapons violations, tobacco smuggling, money laundering, tax fraud and counterfeiting. In addition, these men and women also oversee more than 16,400 establishments licensed to sell alcohol.

I congratulate Special Agent Scott on this noteworthy honor and applaud him for serving as a representative for all our agents.

—Director Shawn Walker, ABC Bureau of Law Enforcement

### ABC'S Newest Stores

Store 379 (Virginia Beach)

Store 387 (Front Royal)

Store 196 (Keysville)

For a complete listing of all ABC stores, visit [www.abc.virginia.gov](http://www.abc.virginia.gov) and click "ABC Store Locator."

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**ABC Crimeline: (866) 437-3155**



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**"Do Not Sell" Stickers Ready for January 2014**

November 2013

The selling and serving of alcoholic beverages is a business subject to higher legal and social accountability than almost any other industry. As a public safety agency, we want to partner with you by providing tools and resources to guide you in achieving and maintaining compliance.

Enclosed are this year's "Do Not Sell" stickers to assist you and your employees in joining us in the commitment to prevent sales to underage persons. These stickers are effective January 1, 2014, and will expire on the last day of 2014. We have coated the stickers with a smear-resistant varnish in order to help prevent fading and damage from the cleaning solution spray.

If you need additional stickers, please call the ABC Public Affairs sticker line at (804) 213-4418.

We encourage you to keep in touch with your ABC Bureau of Law Enforcement special agent so that he or she can assist you with compliance issues. If you would like to get in touch with your agent, please visit the Law Enforcement Web page and select the region on the Virginia map that services your area, or select the "Regional & Satellite Offices" tab.

Statistics for fiscal year 2013 that ended June 30, 2013, show the rate of compliance regarding the sale of alcoholic beverages to people under the legal drinking age was 86 percent, a drop of one percentage point from last year. We need to work collectively to reverse this trend and strive for 100 percent compliance!

We wish you a safe, healthy and prosperous year.

Sincerely,

J. Neal Insley, Chairman

Sandra C. Canada, Commissioner



# RSVP & MART

## Register Today for ABC Licensee Training!

View the full schedule for Winter 2014 and register today at [www.abc.virginia.gov](http://www.abc.virginia.gov). RSVP is offered for sellers and servers at Virginia's licensed establishments, and MART for managers and owners. All sessions are taught by ABC special agents.

### Danville (RSVP)

Tuesday, January 14, 9 a.m.–1 p.m.

### Chesapeake (RSVP)

Wednesday, January 15,  
two sessions: 9 a.m.–12 p.m. & 1–4 p.m.

### Fredericksburg (RSVP)

Wednesday, January 15, 1–4 p.m.

### Richmond (RSVP)

Wednesday, January 15, 1–4 p.m.

### Staunton (RSVP)

Wednesday, January 15, 11 a.m.–2 p.m.

### Abingdon (RSVP)

Thursday, January 16, 9 a.m.–12 p.m.

### Hampton (RSVP)

Wednesday, January 22, 9 a.m.–12 p.m.

### Richmond (RSVP)

Wednesday, January 22, 1–4 p.m.

### Alexandria (RSVP)

Wednesday, January 29,  
two sessions: 9 a.m.–12 p.m. & 1–4 p.m.

### Fredericksburg (MART)

Wednesday, February 12, 9 a.m.–3 p.m.

### Lynchburg (MART)

Wednesday, February 12, 10 a.m.–4 p.m.

### Staunton (MART)

Wednesday, February 12, 11 a.m.–5 p.m.

### Chesapeake (MART)

Wednesday, February 19, 9 a.m.–3 p.m.

### Richmond (MART)

Wednesday, February 19, 10 a.m.–4 p.m.

### Alexandria (MART)

Wednesday, February 26, 10 a.m.–4 p.m.

### Hampton (MART)

Wednesday, February 26, 9 a.m.–3 p.m.

### Wytheville (MART)

Wednesday, February 26, 9 a.m.–3 p.m.

### Roanoke (RSVP)

Thursday, March 6, 1–4 p.m.

### Danville (RSVP)

Tuesday, March 11, 9 a.m.–1 p.m.

### Fredericksburg (RSVP)

Wednesday, March 12, 1–4 p.m.

### Staunton (RSVP)

Wednesday, March 12, 11 a.m.–2 p.m.

### Chesapeake (RSVP)

Wednesday, March 19,  
two sessions: 9 a.m.–12 p.m. & 1–4 p.m.

### Richmond (RSVP)

Wednesday, March 19, 1–4 p.m.

### Alexandria (RSVP)

Wednesday, March 26,  
two sessions: 9 a.m.–12 p.m. & 1–4 p.m.

### Hampton (RSVP)

Wednesday, March 26, 9 a.m.–12 p.m.

### Richmond (RSVP)

Wednesday, March 26, 1–4 p.m.

## Nutritional Labels (continued from page 1)

alcohol industry to bring its products in line with all other consumable products that include Serving Fact information on their labels.

While not many patrons have seemed concerned or even a little bit curious about the grams of carbohydrates in their cocktails, Sean Rapoza, bar manager and mixologist at Balliceaux restaurant in Richmond, reported that quite a few are thinking about calories when they place their drink orders.

**“More people are looking for lower calorie drinks, so much so that we are looking at creating a lower-calorie cocktail list. Lower calorie and healthier choices are the trend, and we have responded with cocktails that include fresh fruit and other healthy-choice ingredients.”**

—Sean Rapoza



Sean Rapoza, bar manager and mixologist at Balliceaux restaurant in Richmond, says he has noticed more and more customers requesting lower calorie drinks. In fact, so much so that he is considering developing a cocktail menu specifically tailored for lower calorie, “healthier” choice drinks.

“More and more people are looking for lower calorie drinks, so much so that we are looking at creating a lower-calorie cocktail list,” said Rapoza. “Lower calorie and healthier choices are the trend, and we have responded with cocktails that include fresh fruit and other healthy-choice ingredients.”

Companies like Diageo and consumer groups have lobbied the TTB for years to add nutritional labeling. While the former was looking for ways to promote low calories and fewer carbohydrates in a serving of liquor when compared with other alcoholic beverage choices like wine and beer, consumer groups were after transparency. The labels are still only voluntary, leaving it up to the individual liquor company to make the decision about adding them or not.

And that's a good thing, if you ask Scott Harris, owner of Catocin Creek Distilling Company, LLC, in Purcellville. “We will not be adding nutritional labeling. Whiskey is not a healthy item. In moderation it can be part of a healthy lifestyle, but people drinking whiskey aren't usually counting calories,” said Harris. “As a small producer, we wouldn't be able to add nutritional labeling very easily. We would have to send samples out for testing for nutritional values; we would have to create new labels... so no, we are not going to be the first ones to jump on that bandwagon.”

Harris pointed out that the bottles are already required to include some of the relatively small list of ingredients for type and classification designations.

Diageo's Smith asserts that those are not enough. “Almost ten years ago Diageo led the industry when it stood with a coalition of consumer and public health advocates to publicly call on US regulators to allow Serving Fact labels to be displayed on beverage alcohol products,” Smith said. “Diageo has actively supported this movement since then, and the company is proud to have helped make Serving Facts labels a reality for American consumers who have a right to know what is in their drink.”

Joy Lee Reeves, ABC's marketing and merchandising manager, explained that comparing calories between wine, beer and distilled spirits can be tricky and a bit deceptive. “If you compare the calories in a distilled spirit serving (1.5 ounces) with a beer (12 ounces) or glass of wine (five ounces), the calories are often lower, however most people don't drink liquor without mixers, which generally add significantly to the calories in a drink,” said Reeves. Further complicating the comparison, pours

# ENFORCEMENT HIGHLIGHTS

## Greek Training

An underage Old Dominion University student was arrested when he was found in possession of five 30-packs of beer and one liter of Evan Williams whiskey. Shortly thereafter, members of ODU's Greek organizations benefited from training provided by a Chesapeake special agent and a City of Norfolk attorney on ABC laws and the consequences of alcohol violations. Nearly 300 students, all members of fraternities and sororities, attended.

## How Sweet It Was

The purchase of a pallet of sugar instigated a nearly year-long investigation that culminated in the discovery and destruction of a moonshine operation in Franklin County. Lynchburg and Roanoke special agents along with agents from ABC's special operations unit arrested an offender and his still hand following almost 72 hours of continuous observation in May. Two 800-gallon black pot stills, 1,600 gallons of live mash

and 180 gallons of untaxed alcohol were seized. Both subjects were charged with illegal manufacturing of alcohol. Additional charges included possession of firearm by a felon, illegal possession of distilling apparatus and possess/transport alcohol illegally acquired. The street value of the untaxed alcohol was between \$7,000 and \$10,000.

## Operation Sticker Shock

An Alexandria special agent joined 40 local high school students for an Operation Sticker Shock event in October. The group visited 64 off-premise licensees in Alexandria and Arlington County and placed stop sign stickers that display a warning message about the penalties for providing alcohol to anyone under 21 on more than 300 cases of beer, wine coolers and other alcohol products that might appeal to young drinkers. Representatives from the Alexandria and Arlington Police Departments and Alexandria Sheriff's Office were also present.

## There Are Laws for This Too

A separate investigation conducted by two Fredericksburg special agents in Spotsylvania County and the City of Fredericksburg resulted in a felony arrest of an individual attempting to smuggle 600 cartons of cigarettes from Virginia to New Jersey. The street value of the cigarettes was \$72,000. Agents have seen an emerging trend in illegal cigarette sales which translate into lost revenue for the Commonwealth.

## Back-to-School Initiative

In Fredericksburg, four college-aged students were charged with underage possession of alcohol in a back-to-school initiative where special agents targeted areas known to be frequented by underage persons typically attempting to obtain alcohol. These operations also resulted in an arrest for aiding/abetting underage possession of alcohol.

## Social Media Compliance

Richmond special agents monitor social media routinely for ABC violations and compliance. Within the last five months agents have addressed several ABC violations posted on social media outlets, including licensees advertising happy hour, the illegal manufacturing and bottling of alcoholic beverages, selling alcoholic beverages without a license, selling and possession of a still and advertisements of open to the public events when the host has applied to ABC for a license for an event that is reportedly private. Licensees unsure about complying with the Code of Virginia should contact their local agent.

## Beach Establishment Charged

During August and September 2013 Chesapeake special agents seized approximately 115 bottles of liquor from a Virginia Beach establishment that was illegally selling mixed beverages. Charges were filed against the licensee.

## Nutritional Labels (continued from page 4)

often vary from the standard 1.5 ounces of alcohol when mixing a drink.

But those in the industry who are celebrating the new rule allowing nutritional labels are betting that consumers will feel good when they look at the calories listed on their bottle of vodka, add the tonic water and not do the math that makes their drink a higher calorie choice over a glass of wine or beer.

"Light brands like the Skinny Girl products have seen surges in popularity," Reeves pointed out. It's a trend Rapoza has seen firsthand from behind the bar at Balliceaux. "Skinny Girl margaritas have been very popular—and not just among women. Men order them, as well."

Rapoza said that in general the requests for craft cocktails with less sugar are definitely on the rise. He's even growing his own stevia plant, which has leaves that render a natural, low-calorie sweetener. "I have been using that to provide the sweetness to balance out some cocktails," he said.

The importance of understanding what's in your drink, at least when it comes to calories, is not lost on those involved in the production and sale of wine and beer who already have labeling rules in place. Reactions to the new labeling rule from those corners of the alcohol market have been generally supportive, particularly of including information about the alcohol content of the product as a percentage of alcohol by volume.

Currently, wines containing 14 percent or more alcohol by volume must list alcohol content. Wines that are 7 percent to 14 percent alcohol by volume may list alcohol content or put "light" or "table" wine on the label. "Light" beers must list calorie and carbohydrate content only. Liquor must list alcohol content by volume and may also list proof, a measure of alcoholic strength. Wine, beer and liquor manufacturers don't have to list ingredients but must list substances people might be sensitive to, such as sulfites, certain food colorings and aspartame.

There has been no indication that the labeling for distilled spirits be required in the future.

"Permitting Serving Fact information on alcohol packaging is good, common-sense policy," Smith said when asked if he thought the rule would become mandatory. "Diageo has consistently advocated for the TTB to allow voluntary labeling—and the TTB alone will decide whether to make it mandatory in the future. Diageo would encourage others in the industry to join us in providing consumers with this important information to help them make informed and responsible decisions." ■

## Need More Stickers?

To order additional "Do Not Sell" stickers, please email your name, address and the quantity of stickers that you need to: [pubrel@abc.virginia.gov](mailto:pubrel@abc.virginia.gov).

# Online Licensee Ordering is Here!

ALL LICENSEES can now participate in ABC's online licensee orders program.

This program is a step forward in the area of e-commerce, enabling licensees to place their orders more efficiently and effectively at all ABC stores statewide. Licensees can view accurate, up-to-date product codes with current and future discounting, along with automatic email notifications when orders have been submitted and are ready for pick up. Also, with this new process, licensees will have the ability to place orders online 24/7 and have access to real-time inventory levels at the store. However, be aware that items are not actually reserved until the order has been assembled, which is no different than the current process today.

**Begin here: <https://gin.abc.virginia.gov/mips/index.html>**

Thank you for participating in this highly anticipated endeavor. This is just the next step in the beginning phase of this process. ABC will move forward with more enhanced features in the near future. ■

## Attention New Wineries, Breweries and Distilleries

VIRGINIA FOOD LAW mandates a food safety inspection by the Virginia Department of Agriculture and Consumer Services (VDACS) before opening for business. The preopening inspection, conducted by a VDACS food safety specialist, is needed to ensure the facility meets Virginia food laws requirements and related regulations. Please contact the nearest VDACS office for an appointment:

### Central and Northern Virginia

Phone: 904-786-3520  
102 Governor Street  
Richmond, VA 23219

### Western Virginia

Phone: 540-562-3641  
2943-E Peters Creek Road  
Roanoke, VA 24019

### Tidewater

Phone: 757-363-3909  
1444 Diamond Springs Road  
Virginia Beach, VA 23455

## NEW PRODUCTS IN ABC STORES

NAME OF PRODUCT	SIZE	PRODUCT CODE
<b>Bourbon / Whiskey</b>		
Benchmark Brown Sugar	750 ml	072427
Bird Dog Maple Flavored Whiskey	750 ml	027418
Cinerator	750 ml	027454
Clyde May's Conecuh Ridge Whiskey	750 ml	017510
Defiant Whisky	750 ml	027446
Jim Beam Maple	750 ml	027392
Jim Beam Signature Craft 12YR	750 ml	019036
Knob Creek Smoked Maple	750 ml	027604
Red Stag Hardcore Cider	750 ml	027406
Virginia Lightning Apple Pie	750 ml	027633
Virginia Lightning Cherry	750 ml	027616
Wild Turkey Spiced	750 ml	086923
<b>Brandy</b>		
Twenty Grand Black	375 ml	077610
<b>Canadian Whisky</b>		
Black Velvet Cinnamon Rush	750 ml	010553
<b>Cordials</b>		
Bailey's Vanilla Cinnamon	750 ml	068049
Bols Yogurt Liqueur	750 ml	064481
Cabot Trail Maple Cream	750 ml	068085
Creme Yvette	750 ml	064799
Fabrizia Blood Orange	750 ml	073732
Kinky Blue Liqueur	750 ml	075214
Luxardo Maraschino	750 ml	067610
Mary Hite Bowman Caramel Bourbon Cream	750 ml	080330
Naughty Cow Chocolate	750 ml	066029
Whisper Creek Tennessee Sipping Cream	750 ml	080498
X-Rated Tropic	750 ml	067205
<b>Gin</b>		
Aviation Gin	750 ml	029119
Barr Hill Gin	750 ml	029256
Seagram's Peach Twisted Gin	750 ml	033286
<b>Rum</b>		
Atlantico Platino Rum	750 ml	042100
Blue Chair Bay Coconut Spice Rum	750 ml	042244
Blue Chair Bay White Rum	750 ml	042240
Phraya Rum	750 ml	042752
<b>Scotch Whisky</b>		
Tomatin 12 Yr Single Malt Scotch	750 ml	006316
<b>Tequila</b>		
Arta Silver Tequila	750 ml	087131
Carlos Murphy Cinnamon Spiced Tequila	750 ml	064649
Casamigos Tequila Reposado	750 ml	089177
<b>Virginia Wine</b>		
Prince Michel Pinot Grigio	750 ml	917220
<b>Vodka</b>		
American Revolution Vodka	750 ml	037610
Pinnacle Peach	750 ml	036015
Pinnacle Salted Caramel	750 ml	036165
Silver Fox Vodka	750 ml	040830
Smirnoff Amaretto	750 ml	040271
Smirnoff Cinnamon-Sugar Twist	750 ml	040256
The Bay Seasoned Vodka	1 L	040337

This list includes new products approved for ABC stores in October 2013.



# 2013 General Assembly Update

THE 2013 SESSION of the Virginia General Assembly did not display the controversy and clamor often associated with alcoholic beverage legislative efforts. Despite the lack of fierce legislative battles, there were 27 alcohol-related measures introduced, a number just below the average of recent years. Sixteen of these passed both houses of the legislature and became law July 1, 2013.

## Mixed Beverages along I-81

If there was a theme to the legislation this year, it might have been mixed beverage sales along the Interstate 81 corridor. When Virginia allowed the sale of liquor by the drink in 1968, it required a local referendum before cocktail service would be legalized. Several Southwest Virginia counties have never passed such a vote, although towns within the counties may have opted to authorize mixed drinks. Five bills were introduced and passed this session to exempt certain properties near I-81 from the referendum requirement. HB 1449 and SB 849 were duplicate pieces of legislation authorizing mixed beverage sales on property at Exit 109 and near Exit 128, in Montgomery County. HB 1667 approves liquor by the drink along three stretches along I-81 in Smyth County. HB 2288 provides for a referendum exemption for a stretch of property within 1,500 feet of the interstate along 11 miles in Wythe County. Finally, SB 1070 legalizes the issuance of mixed beverage licenses on property within the Town of Glade Spring, adjacent to the intersection of I-81 and Rt. 91.

## Craft Distilleries

Craft distillers are popping up across the country, and Virginia is no exception. Two measures adopted by the General Assembly this year are designed to assist them. HB 2300 adds distilleries to an exception to the "tied-house" restrictions on cross-ownership of manufacturing and retailing establishments. Ordinarily, manufacturers may not own or control retail licensed businesses. However, wineries and breweries have long had an exemption that allows them to have a retail license on or immediately adjacent to the winery or brewery premises. This has allowed the establishment of brewpubs, as well as restaurants associated with winery licensees. The new legislation will authorize the same exemption for distilleries.

ABC has entered into contracts with six Virginia distillers, allowing them to operate an ABC store on the licensed premises for the retail sale of the spirits produced at the contracting distillery. Since the sales operation at the distillery is an ABC store, the distiller may conduct limited product tastings. However, prior to July 1, the distiller had to give away the samples and could not charge for tasting events. SB 1235 allows distillers operating ABC stores at their distillery to make a charge to consumers to participate in a tasting event.

## Farm Wineries

Farm wineries also received attention at this year's session. HB 1849 and SB 1127 were identical measures allowing for the first time contract winemaking in Virginia. This legislation will allow a winery or farm winery to enter into an agreement with a farm winery whereby a farm winery provides grapes, fruits, or other agricultural products, and the other party crushes, processes, ferments, bottles, or any combination of such services. The resulting wine is considered the wine of the farm winery which provides the fruit.

Mulled wine and sangria have become popular products at some of Virginia's wine festivals, but it was discovered that the law did not allow the pre-mixing of wine prior to a consumer's order. HB 2268 allows the pre-mixing of wine to be served and sold for on-premises consumption at a farm winery and its remote retail locations.

## Breweries and Beer Wholesalers

The Virginia ABC Board is given jurisdiction under the law to enforce the provisions of the Virginia Beer Franchise Act, which regulates the relationships between breweries and beer wholesalers. Prior law did not expressly provide an avenue for parties to bring complaints against threatened actions; the Board could just react after the provisions of the act were violated. HB 1587 provides that a wholesaler or brewery may file a petition against its trading partner, if it is alleged that a "contemplated action" by a brewery or wholesaler would constitute a violation of the act if carried out. Prior to filing a petition, the petitioner is required to attempt a good faith resolution of the issue in question.

## Legislation Related to Licensing

Almost every year brings the creation of a new category of alcoholic beverage license. This year saw the birth of the annual mixed beverage performing arts facility license. This license is designed to cover some ownership issues involving facilities in the City of Richmond. It authorizes the sale of mixed beverages at performing arts facilities (1) owned by a governmental entity, (2) leased by a for-profit entity, and (3) rehabilitated in accordance with historic preservation standards.

As previously noted, unless there is an exception in the law, manufacturers cannot obtain retail licenses. In addition to the exception about retailers on or adjacent to the winery or brewery, there is another one which allows persons to own an interest in both an alcoholic beverage manufacturer and a licensed retailer if the manufacturer does not sell anything, directly or indirectly, to the retailer. Thus, a hotel chain could be owned by a brewery, so long as the hotel doesn't sell its parent company's beer. HB 1671 makes a small exception to this prohibition. It applies to a situation where a single out-of-state winery, not under common control or ownership with any other winery, may have one Virginia restaurant under common control. In this situation, the Virginia restaurant may sell wine produced by the out-of-state winery under common control, as long as the wine is obtained from a Virginia wine wholesaler.

Two bills provide stricter rules for licensed establishments or their employees. SB 1349 makes the suspension or revocation of a license mandatory if the licensee has been found to defraud or attempt to defraud the Board or other government agency, by making or filing a false document required by law, with intent to deceive. HB 1720 creates a new Class 3 misdemeanor for any person who sells alcoholic beverages to anyone less than the legal age without requiring bona fide evidence of legal age.

Licensees who fail to pay a renewal fee on time will get an additional grace period under SB 1193, although they will have to pay for the privilege. Under prior law, a licensee could renew with penalty within 30 days after the due date, with a penalty of \$25 or 10 percent of the fee. The new law continues that grace period, but also allows payment for 45 more days, with a penalty of \$100 or 25 percent of the fee. ■

## NEW PRODUCT HIGHLIGHTS

### Virginia Lightning Apple Pie

Size: 750mL | Proof: 50 | Code #: 027633

*Virginia Lightning Apple Pie flavored corn whiskey is a new flavor extension of the popular Virginia Lightning Original Corn Whiskey. The combination of corn whiskey and neutral grain spirits together with natural apple juice and other spices makes the delicious taste of apple pie. Like the original, Virginia Lightning Apple Pie is made by Belmont Farm Distillery in Culpeper.*

### Luxardo Maraschino

Size: 750mL | Proof: 32 | Code #: 067610

*Luxardo Maraschino is made from the Marasca, a sour cherry variety exclusively cultivated by Luxardo. Crushed cherry pits are used in the process, which lend an almond-like flavor to the liqueur. The distillate is allowed to mature for two years in Finnish ash vats and is then diluted and sweetened. The spirit can be used as an ingredient in a variety of unique cocktails or enjoyed on the rocks as an after-dinner drink.*

